App. F. IX-4

PRESERVED

1935. (87) P 6 F

File No. 156-35

Serial Nos. 1

Previous References

Legis 37-27-1
St 27-32-1
St 13-31 (1-7)

Letter References.

St 7-31 (3, 4, 7, 10, 11)

Preserve

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1

Part B for Dec 25

SUBJECT.

Revision of Stamp Duty on On-Demand Promotes and on Receipts for payment of money.

WD 03607—GPB—22,500—2-8-35

Serial No.

Revision of Stamp duty on On-Demand promotes and on Receipts for payment of money.

A. The Financial Secy. has directed that the subjects noted below may be examined.

1) Receipt Stamps — Increased Stamp fees for large amounts as in United Kingdom.

2) Stamp Duty on On-demand Promissory notes to be revised as in Madras

The second subject referred to was examin in connection with the proposals made by the Retrenchment committee in 1931 and was ordered to lie over (Vide Stamp file 7 of 1931 serials 3, 4, 7, 10 & 11. flag M.)

A draft letter to the comnr of Stamps requesting him to examine the subjects refers to and send up his proposals for the considera of Govt is subd for orders.

24/10/35

A. In what connection. Please put up the concerned papers.

24/10/35.

There are said to be no papers. Wheth

NOTE.—Contn. Sheet.

WD 05591—GPB—30,000—18-7-35

File No. 156 1757 Fl of 193 5. General and Revenue Secretariat

in view of the present depression all round, ~~and~~, of the orders of the 1st Member dated 19.8.1932 regarding one of these two Subjects (Flag M in link file) and the probable popular reaction to the proposed enhancement of duty, it is for orders whether the matters may now be taken up for examination.

25 OCT. 1935

Gen. Secy) 24/10/35.

When was the enhancement ordered in Madras? If a higher rate is being levied there we may levy the same rate without with some justification.

Hw 29/10

29/10/35.

Subd to Fe: Secy who wanted to see the file & received back today

(1) In October 1923 - the amended act was published in the Fe-St-George Gazette dated 16/10/1923 - vide note on pp 4. in the cuttings in the linked file. (D. 2242/Fe). (SC-7-31)

The Dewan has ordered in the linked file that the proposal may be dropped for the present. If approved these papers will be filed.

By. 25/11/35

Gen. Secy) 25/11/35.

Yes. The section should have taken instructions before beginning this file here

Hw 26/11.

26/11/35

1482

Serial No. 1

FINANCIAL BRANCH 16 NOV. 1935 2042 GEN.

DEWAN'S OFFICE 16 NOV. 1935 No. G.D.

The Budget for 1935-36 has been just balanced by the continuance of the Emergency measure of reductio in salaries (though on a lower scale than in previous years), reduction in Fixed Travelling Allowances, Remuneration to Examiners, Grants-in-aid etc. The Emergency reduction in salaries and other Economy measures cannot be continued indefinitely and may have to be discontinued from the beginning of next year. For balancing next year's Budget improvement of our Financial resources is necessary. There is not much scope for reducing the existing level of expenditure and on the other hand new items of expenditure are forcing themselves on Government on some ground or oth Even the Madras Government which had comfortable surpluses in the past, expect large deficits for some years to come and have taken action to improve the revenue in some directions. The following measures for improving Revenue are therefore suggested for consideration:-

(1) Tax on Tobacco.

The question of levying a tax on Tobacco as in Madras is under consideration ~~by the Excise Branch~~ separately.

(2) Increasing stamp duty on promissory notes and Receipts. The stamp duty on Promissory Notes

NOTE.—Contn. Sheet.

WD 03594—GPB—30,000—18-7-35

payable on demand is now fixed at a uniform rate of one anna irrespective of the amount involved, while the stamp duty is fixed on the following graduated scale in British India.-

Promissory Notes when payable on demand:-

(1) When the amount or value does not exceed Rs 250/-	One anna
(2) When the amount or value exceeds Rs 250/- but does not exceed Rs 1,000/-	Two annas
(3) In any other case.	Four annas.

The question of adopting the British Indian scale was decided upon in 1931 as one of the measures of improvement of revenue and a Bill for amending the Stamp Regulation was placed before the Representative Assembly in October 1931. As some of the members spoke against the revision, the Bill was withdrawn by Government (vide discussions in Stamp file 7-31-11).

The adoption of the scale in British India may again be considered.

According to the existing rules, all Receipts for sums exceeding Rs 20/- are required to be stamped with One anna stamp, and this is the rule in British India also. In the United Kingdom the stamp duty on Receipts for £ 2 or upwards which was one penny prior to 1920 was raised to Two Pence since 1920. I submit for consideration if we may not fix the stamp duty on Receipts on a graduated

Serial No.

graduated scale as indicated below:-

Receipts exceeding Rs 20 but not exceeding Rs 100/- One anna as at presen

Receipts exceeding Rs 100/- Two annas.

This will improve the Stamp Revenue to some extent.

Deman) 16/11/35.

16/11/35

PEPS TO THE SECOND MEMBER OF COUNCIL 18 NOV. 1935 No. 3792

The Members of Council may be consulted.

2nd & 1st Mr) 16-11-35

The proposal to levy stamp duty on a graduated scale on promissory notes payable on demand was censured in 1931 and has but was eventually abandoned, owing to the opposition which it met in the Ref. Assembly. The enquiries made at the time showed that no substantial increase of revenue was to be expected as a result of the proposed change. I am not therefore in favour of receiving the proposal at present.

The second proposal to enhance the

NOTE.—Contn. Sheet.

WD 03591—GPB—30,000—18-7-35

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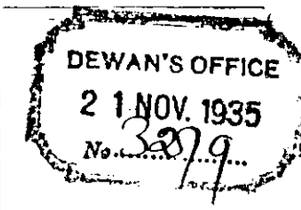

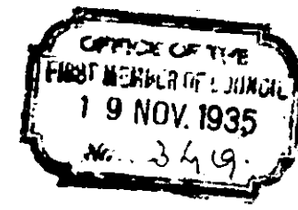

duty on receipts for sums exceeding Rs 100 would be even more unpopular. It also leaves the jurisdiction of British Indian precedent.

MM
19/11/35

I agree with the Second Member. The income from these two is not likely to be appreciable

Dewan
20/11
21.11.35

Proposals may be dropped for re-pursal. if F. Secy agrees.

MJ
21-11-35

22/11/35

This may perhaps be recorded after note by the Stamp section.

Y
23-11-35

This will be returned to H. Section after perusal of notes above.

23/11

BG
25/11

Please open a file and mark the foregoing reference

W
25/11